

COUNCIL COMMUNICATION

AGENDA TITLE:

Electric Rate Schedule I1

General Service - Group 5 - Commercial/Industrial -Optional

MEETING DATE:

September 18, 1996

SUBMITTED By:

Electric Utility Director

RECOMMENDED ACTION:

That the City Council, by ordinance, approve the attached:

- 1) Electric Rate Schedule II, General Service Group 5 Commercial/Industrial -
- 2) Schedule G5 General Service Group 5 Commercial/Industrial.

BACKGROUND:

In response to changes taking place in the electric utility industry, the Electric Utility Department proposes to begin moving toward market-based electric rates in an aggressive, but systematic manner in order to keep and attract larger users of electric

power and to help those customers better compete in their markets. The above action will help mitigate the impact of impending industry restructuring and customer choice of electric provider.

The fiscal impact on the City of Lodi is estimated to be:

	<u>Minimum</u>	<u>Maximum</u>	Maximum %
FY 1996-97:	\$ 0	\$222,000	12%
Subsequent fiscal years:	\$ 0	\$367,000	12% (approximate % of sales revenue)

FUNDING:

In order to fund the decrease in electric revenues resulting from a customer's exercising this rate option, it is recommended that for FY 1996-97, fifty percent of the revenue shortfall be funded from Electric Utility Fund 16.0 reserves and fifty percent from General Fund reserves. It is further recommended that for subsequent fiscal years, the Electric Utility Department budget sales revenue estimates and contribution to the General Fund be adjusted to show fifty percent of the total revenue impact on each category.

Alan N. Vallow Electric Utility Director

Prepared by John L. Stone, Director, Business, Planning & Marketing

ANV/JS/bf

Attachment

cc:

City Attorney

APPROVED

H. Dixon Flynn
CITY MANAGER

ELECTRIC UTILITY DEPARTMENT

Schedule I1

General Service - Group 5 - Commercial/Industrial - Optional

APPLICABILITY:

This schedule is an optional rate for accounts who would otherwise qualify for primary service under the G5 rate schedule with billing period demands of 1,000 kilowatts (kW) or more for three consecutive months.

Demand: The billing period and peak period demands will be the maximum average power taken during any 15-minute period interval in the billing period and peak period, respectively, but not less than the diversified resistance welder load. In cases where the use of energy is intermittent or subject to violent fluctuations, a 5-minute interval may be used.

Assignment to Schedule: Assignment to this schedule is at the option of the customer and does not supersede any standby service contracts.

This rate schedule is prospective and not subject to rebate or retroactivity.

When a customer chooses to be assigned to this schedule, the customer elects the City of Lodi (City) to be the sole electric power requirements provider of choice. The customer must give the City three year written notice before the customer can elect to use another electric power requirements provider.

When a customer has a measurable incremental permanent load increase of 200 kW or greater, over the highest billing period demand in the previous twelve (12) months the customer will be eligible for a ten (10) percent discount on the incremental Demand and Energy charges. Such billing change will be made as soon as practicable after verification of said changes and is not subject to rebate or retroactivity. It shall be the responsibility of the customer to notify the City of any such change.

When an account billed on this schedule qualifies for another City bundled rate schedule, the customer may elect to be billed on that other rate schedule. When a customer chooses to be assigned to another bundled rate a three year written notice is still required before the customer can elect to use another electric power requirements provider.

If the billing period demand drops below 1,000 kW and remains there for 12 consecutive billing cycles, the City will transfer the account to the appropriate rate schedule and the customer will be subject to the requirements of the appropriate schedule, rather than schedule I1.

ELECTRIC UTILITY DEPARTMENT

Schedule I1

General Service - Group 5 - Commercial/Industrial - Optional (continued)

RATES:

Customer Charge (per meter per billing cycle)	stomer Charge (per meter per billing cycle)		
Service Voltage:	Primary	(I1-P)	
Season	Summer	Winter	
Demand Charges:			
Per kW of peak			
period demand	\$10.00		
Per kW of billing			
period demand	2.95	\$2.95	
Energy Charges:			
Peak period (per kWh)	.09125		
Partial peak period			
(per kWh)	.06131	.05487	
Off peak period			
(per kWh)	.04680	.04748	
Economic Stimulus Rate			
Credit: (per kWh)	.01262	.01262	

PURCHASED POWER COST ADJUSTMENT (PPCA):

A purchased power cost adjustment may be included in each bill for service. The adjustment shall be the product of the total kilowatt-hours (kWh) for which the bill is rendered times the adjustment amount per kWh. The adjustment amount per kWh will be calculated to reflect amounts charged the City by various suppliers of bulk power not covered in the above rates.

ELECTRIC UTILITY DEPARTMENT

Schedule II

<u>General Service - Group 5 - Commercial/Industrial - Optional</u> (continued)

TYPES OF CHARGES:

The billing cycle charge for service is the sum of the Customer Charge, the Demand Charges, the Energy Charges, the PPCA and the Power Factor Adjustment:

The Customer Charge is a flat monthly fee. This schedule has 2 Demand Charges, a peak period Demand Charge and a billing period Demand Charge. The peak period Demand Charge per kW applies to the maximum average power taken during any metering interval during the billing cycle's peak hours, and the billing period Demand Charge per kW applies to the maximum average power taken during any metering interval at any time during the billing cycle. The bill will include both of these Demand Charges. Time periods are defined below.

This schedule has 3 Energy Charges, a peak period Energy Charge, a partial peak period Energy Charge, and an off peak period Energy Charge. The peak period Energy Charge per kWh applies to the total kWh used during the billing cycle's peak hours, the partial peak period Energy Charge per kWh applies to the total kWh used during the billing cycle's partial peak hours, and the off peak period Energy Charge per kWh applies to the total kWh used during the billing cycle's off peak hours. The bill will include all of these Energy Charges. Time periods are defined below.

The PPCA is a per kWh charge applied to the total kWh used during the billing cycle.

Monthly charges may be decreased or increased based upon power factor as defined below.

As shown on the rates above, Demand and Energy Charges are based on the voltage at which service is taken. Service Voltage is defined below.

DEFINITION OF SERVICE VOLTAGE:

The service voltage class:

Primary: Service Voltage class for service at 12,000 volts (nominal).

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ELECTRIC UTILITY DEPARTMENT

Schedule I1

General Service - Group 5 - Commercial/Industrial - Optional (continued)

POWER FACTOR ADJUSTMENTS:

Bills will be adjusted for billing cycle average power factor as follows:

The total charge (except taxes and customer charge) for any billing cycle as computed on the above rates shall be decreased or increased, respectively, by 0.0006% for each 0.01 percentage point that the average power factor of the customer's load in the billing cycle is greater or less than 85.00%, such average power factor to be computed (to the nearest hundredth of a percent) from the ratio of lagging kilovolt ampere-hours to kilowatt-hours consumed in the billing cycle.

Customer with service entrance equipment unable to accommodate the City's reactive metering equipment shall have their billing power factor determined by testing performed by the City.

DEFINITION OF TIME PERIODS:

Times of the year and times of the day are defined as follows:

SUMMER May 1 through October 31:

Peak: 3:00 p.m. to 7:00 p.m. Monday through Friday (except holidays).

Partial Peak: 8:30 a.m. to 3:00 p.m. and 7:00 p.m. to 9:30 p.m. Monday through Friday

(except holiday's).

Off Peak: 9:30 p.m. to 8:30 a.m. Monday through Friday and all day Saturday, Sunday

and holidays.

WINTER November 1 through April 30:

Partial Peak: 8:30 a.m. to 9:30 p.m. Monday through Friday (except holidays).

Off Peak: 9:30 p.m. to 8:30 a.m. Monday through Friday and all day Saturday,

Sunday and holidays.

HOLIDAYS:

ELECTRIC UTILITY DEPARTMENT

SCHEDULE G5

GENERAL SERVICE - GROUP 5 COMMERCIAL/INDUSTRIAL

APPLICABILITY:

This schedule shall be applied to accounts with billing period demands of 1,000 kilowatts (kW) or more for three consecutive months, unless the customer elects an optional rate schedule the account would otherwise qualify for.

Demand: The billing period and peak period will be the maximum average power taken during any 15-minute interval in the billing period and peak period, respectively, but not less than the diversified resistance welder load. In cases where the use of energy is intermittent or subject to violent fluctuations, a 5-minute interval may be used.

Assignment to Schedule: If, in the judgement of the City, an account is expected to have billing period demand of 1,000 kW or more per billing cycle, the City has the option of placing the account immediately on this schedule.

When an account billed on this schedule permanently changes the nature of electrical operations to such an extent that the account would in time qualify for another rate schedule, such billing change will be made as soon as practicable after verification of said changes. It shall be the responsibility of the customer to notify the City of any such change.

If billing period demand drops below 1,000 kW and remains there for 12 consecutive billing cycles, the City will transfer the account to the appropriate rate schedule.

ELECTRIC UTILITY DEPARTMENT

SCHEDULE G5

GENERAL SERVICE - GROUP 5 COMMERCIAL / INDUSTRIAL (continued)

RATES:

Customer Charge (per meter per billing cycle)\$125.00				\$125.00
Service Voltage:	Secondary	(G5-S)	Primary	(G5-P)
Season:	Summer	Winter	Summer	Winter
Demand Charges:				
Per kW of peak				
period demand	\$10.65		\$10.00	
Per kW of billing				
period demand	3.80	\$3.80	2.95	\$2.95
Energy Charges:				
Peak period (per kWh)	.09749		.09125	
Partial peak period				
(per kWh)	.06627	.05662	.06131	.05487
Off peak period				
(per kWh)	.05054	.04904	.04680	.04748
Economic Stimulus Rate				
Credit: (per kWh)	.00400	.00400	.00400	.00400

PURCHASED POWER COST ADJUSTMENT (PPCA):

A purchased power cost adjustment may be included in each bill for service. The adjustment shall be the product of the total kilowatt-hours (kWh) for which the bill is rendered times the adjustment amount per kWh. The adjustment amount per kwh will be calculated to reflect amounts charged the City by various suppliers of bulk power not covered in the above rates.



ELECTRIC UTILITY DEPARTMENT

SCHEDULE G5

GENERAL SERVICE - GROUP 5 COMMERCIAL / INDUSTRIAL (continued)

TYPES OF CHARGES:

The billing cycle for service is the sum of the Customer Charge, the Demand Charges, the Energy Charges, the PPCA and the Power Factor Adjustment.

The Customer Charge is a flat monthly fee.

This schedule has 2 Demand Charges, a peak period Demand Charge and a billing period Demand Charge. The peak period Demand Charge per kW applies to the maximum average power taken during any metering interval during the billing cycle's peak hours, and the billing period Demand Charge per kW applies to the maximum average power taken during any metering interval at any time during the billing cycle. The bill will include both of these Demand Charges. Time periods are defined below.

This schedule has 3 Energy Charges, a peak period Energy Charge, a partial peak period Energy Charge, and an off peak period Energy Charge. The peak period Energy Charge per kWh applies to the total kWh used during the billing cycle's peak hours, the partial peak period Energy Charge per kWh applies to the total kWh used during the billing cycle's partial peak hours, and the off peak period Energy Charge per kWh applies to the total kWh used during the billing cycle's off peak hours. The bill will include all of these Energy Charges. Time periods are defined below.

The PPCA is a per kWh charge applied to the total kWh used during the billing cycle.

Monthly charges may be decreased or increased based upon power factor as defined below.

As shown on the rates above, Demand and Energy Charges are based on the voltage at which service is taken. Service Voltages are defined below.

DEFINITION OF SERVICE VOLTAGE:

The service voltage classes are:

Service Voltage class for service at 12,000 volts(nominal). a. Primary:

b. Secondary: Service Voltage class for service at available voltages below

12,000 volts (nominal).

ELECTRIC UTILITY DEPARTMENT

SCHEDULE G5

GENERAL SERVICE - GROUP 5 COMMERCIAL / INDUSTRIAL (continued)

POWER FACTOR ADJUSTMENTS:

Bills will be adjusted for billing cycle average power factor as follows:

The total charge (except taxes and customer charge) for any billing cycle as computed on the above rates shall be decreased or increased, respectively, by 0.0006% for each 0.01 percentage point that the average power factor of the customer's load in the billing cycle is greater or less than 85.00%, such average power factor to be computed (to the nearest hundredth of a percent) from the ratio of lagging kilovolt ampere-hours to kilowatt-hours consumed in the billing cycle.

Customers with service entrance equipment unable to accommodate the City's reactive metering equipment shall have their billing power factor determined by testing performed by the City.

DEFINITION OF TIME PERIODS:

Times of the year and times of the day are defined as follows:

SUMMER: May 1 through October 31:

Peak: 3:00 p.m. to 7:00 p.m. Monday through Friday (except holidays).

Partial Peak: 8:30 a.m. to 3:00 p.m. and 7:00 p.m. to 9:30 p.m. Monday through Friday

(except holidays).

Off Peak: 9:30 p.m. to 8:30 a.m. Monday through Friday and all day Saturday, Sunday

and holidays.

WINTER: November 1 through April 30:

Partial Peak: 8:30 a.m. to 9:30 p.m. Monday through Friday (except holidays).

Off Peak: 9:30 p.m. to 8:30 a.m. Monday through Friday and all day Saturday, Sunday

and holidays.

HOLIDAYS:

ORDINANCE NO. 1638

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LODI AMENDING CHAPTER 13.20 OF THE LODI MUNICIPAL CODE BY REPEALING AND REENACTING SECTION 13.20.280, RELATING TO ELECTRIC SERVICE - RATES

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LODI AS FOLLOWS:

<u>SECTION 1.</u> Chapter 13.20 - Electrical Service - is hereby amended by repealing and reenacting Section 13.20.280, relating to Group 5 commercial/industrial rates <u>by</u> attaching new Exhibit J:

Section 13.20.280 - Schedule G5 - General Service - Group 5 Commercial/Industrial.:

For Group 5 commercial/industrial rates, see the schedule attached to the ordinance codified in this chapter, marked Exhibit J and made a part hereof as if set out in full.

<u>SECTION 2 - No Mandatory Duty of Care</u>. This ordinance is not intended to and shall not be construed or given effect in a manner which imposes upon the City, or any officer or employee thereof, a mandatory duty of care towards persons or property within the City or outside of the City so as to provide a basis of civil liability for damages, except as otherwise imposed by law.

<u>SECTION 3 - Severability</u>. If any provision of this ordinance or the application thereof to any person or circumstances is held invalid, such invalidity shall not affect other provisions or applications of the ordinance which can be given effect without the invalid provision or application. To this end, the provisions of this ordinance are severable. The City Council hereby declares that it would have adopted this ordinance irrespective of the invalidity of any particular portion thereof.

<u>SECTION 4.</u> All ordinances and parts of ordinances in conflict herewith are repealed insofar as such conflict may exist.

<u>SECTION 5.</u> This ordinance shall be published one time in the "Lodi News Sentinel", a daily newspaper of general circulation printed and published in the City of Lodi and shall be in force and take effect thirty days from and after its passage and approval.

	Approved this day of, 1996
	DAVID P. WARNER
Attest:	Mayor
JENNIFER M. PE	RRIN
City Clerk	
State of California	
County of San Joa	quin, ss.
1638 was introduc September 18, 199	in, City Clerk of the City of Lodi, do hereby certify that Ordinance Noted at a regular meeting of the City Council of the City of Lodi helps and was thereafter passed, adopted and ordered to print at a regular buncil held, 1996 by the following vote:
Ayes:	Council Members -
Noes;	Council Members -
Absent:	Council Members -
Abstain:	Council Members -
	nat Ordinance No. 1638 was approved and signed by the Mayor on the and the same has been published pursuant to law.
	JENNIFER M. PERRIN City Clerk
Approved as to Fo	City Clerk



CITY OF LODI ELECTRIC UTILITY DEPARTMENT



SCHEDULE G5

GENERAL SERVICE - GROUP 5 COMMERCIAL/INDUSTRIAL

APPLICABILITY:

This schedule shall be applied to accounts with billing period demands of 1,000 kilowatts (kW) or more for three consecutive months, unless the customer elects an optional rate schedule the account would otherwise qualify for.

Demand: The billing period and peak period will be the maximum average power taken during any 15-minute interval in the billing period and peak period, respectively, but not less than the diversified resistance welder load. In cases where the use of energy is intermittent or subject to violent fluctuations, a 5-minute interval may be used.

Assignment to Schedule: If, in the judgement of the City, an account is expected to have billing period demand of 1,000 kW or more per billing cycle, the City has the option of placing the account immediately on this schedule.

When an account billed on this schedule permanently changes the nature of electrical operations to such an extent that the account would in time qualify for another rate schedule, such billing change will be made as soon as practicable after verification of said changes. It shall be the responsibility of the customer to notify the City of any such change.

If billing period demand drops below 1,000 kW and remains there for 12 consecutive billing cycles, the City will transfer the account to the appropriate rate schedule.



ELECTRIC UTILITY DEPARTMENT

SCHEDULE G5

GENERAL SERVICE - GROUP 5 COMMERCIAL / INDUSTRIAL (continued)

RATES:

Customer Charge (per meter per billing cycle)\$125.00				
Service Voltage:	Secondary	(G5-S)	Primary	(G5-P)
Season:	Summer	Winter	Summer	Winter
Demand Charges:				
Per kW of peak				
period demand	\$10.65		\$10.00	
Per kW of billing				
period demand	3.80	\$3.80	2.95	\$2.95
Energy Charges:				
Peak period (per kWh)	.09749		.09125	
Partial peak period				
(per kWh)	.06627	.05662	.06131	.05487
Off peak period				
(per kWh)	.05054	.04904	.04680	.04748
Economic Stimulus Rate				
Credit: (per kWh)	.00400	.00400	.00400	.00400

PURCHASED POWER COST ADJUSTMENT (PPCA):

A purchased power cost adjustment may be included in each bill for service. The adjustment shall be the product of the total kilowatt-hours (kWh) for which the bill is rendered times the adjustment amount per kWh. The adjustment amount per kwh will be calculated to reflect amounts charged the City by various suppliers of bulk power not covered in the above rates.



ELECTRIC UTILITY DEPARTMENT

SCHEDULE G5

GENERAL SERVICE - GROUP 5 COMMERCIAL / INDUSTRIAL (continued)

TYPES OF CHARGES:

The billing cycle for service is the sum of the Customer Charge, the Demand Charges, the Energy Charges, the PPCA and the Power Factor Adjustment.

The Customer Charge is a flat monthly fee.

This schedule has 2 Demand Charges, a peak period Demand Charge and a billing period Demand Charge. The peak period Demand Charge per kW applies to the maximum average power taken during any metering interval during the billing cycle's peak hours, and the billing period Demand Charge per kW applies to the maximum average power taken during any metering interval at any time during the billing cycle. The bill will include both of these Demand Charges. Time periods are defined below.

This schedule has 3 Energy Charges, a peak period Energy Charge, a partial peak period Energy Charge, and an off peak period Energy Charge. The peak period Energy Charge per kWh applies to the total kWh used during the billing cycle's peak hours, the partial peak period Energy Charge per kWh applies to the total kWh used during the billing cycle's partial peak hours, and the off peak period Energy Charge per kWh applies to the total kWh used during the billing cycle's off peak hours. The bill will include all of these Energy Charges. Time periods are defined below.

The PPCA is a per kWh charge applied to the total kWh used during the billing cycle.

Monthly charges may be decreased or increased based upon power factor as defined below.

As shown on the rates above, Demand and Energy Charges are based on the voltage at which service is taken. Service Voltages are defined below.

DEFINITION OF SERVICE VOLTAGE:

The service voltage classes are:

a. <u>Primary:</u> Service Voltage class for service at 12,000 volts(nominal).

b. Secondary: Service Voltage class for service at available voltages below

12,000 volts (nominal).



ELECTRIC UTILITY DEPARTMENT

SCHEDULE G5

GENERAL SERVICE - GROUP 5 COMMERCIAL / INDUSTRIAL (continued)

POWER FACTOR ADJUSTMENTS:

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and holidays.

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and holidays.

HOLIDAYS:



CITY OF LODI ELECTRIC UTILITY DEPARTMENT



Schedule II

General Service - Group 5 - Commercial/Industrial - Optional

APPLICABILITY:

This schedule is an optional rate for accounts who would otherwise qualify for primary service under the G5 rate schedule with billing period demands of 1,000 kilowatts (kW) or more for three consecutive months.

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ELECTRIC UTILITY DEPARTMENT

Schedule I1

General Service - Group 5 - Commercial/Industrial - Optional (continued)

RATES:

Customer Charge (per meter per billing cycle)		\$125.00
Service Voltage:	Primary	(I1-P)
Season	Summer	Winter
Demand Charges:		
Per kW of peak		
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period demand	2.95	\$2.95
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Economic Stimulus Rate		
Credit: (per kWh)	.01262	.01262

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ELECTRIC UTILITY DEPARTMENT

Schedule I1

General Service - Group 5 - Commercial/Industrial - Optional (continued)

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This schedule has 3 Energy Charges, a peak period Energy Charge, a partial peak period Energy Charge, and an off peak period Energy Charge. The peak period Energy Charge per kWh applies to the total kWh used during the billing cycle's peak hours, the partial peak period Energy Charge per kWh applies to the total kWh used during the billing cycle's partial peak hours, and the off peak period Energy Charge per kWh applies to the total kWh used during the billing cycle's off peak hours. The bill will include all of these Energy Charges. Time periods are defined below.

The PPCA is a per kWh charge applied to the total kWh used during the billing cycle.

Monthly charges may be decreased or increased based upon power factor as defined below.

As shown on the rates above, Demand and Energy Charges are based on the voltage at which service is taken. Service Voltage is defined below.

DEFINITION OF SERVICE VOLTAGE:

The service voltage class:

Primary: Service Voltage class for service at 12,000 volts (nominal).

ELECTRIC UTILITY DEPARTMENT

Schedule I1

<u>General Service - Group 5 - Commercial/Industrial - Optional</u> (continued)

POWER FACTOR ADJUSTMENTS:

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HOLIDAYS: